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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Financial performance report of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 2002 to 30 June 2003

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2002/03	$50,573,200
Expenditure for 2002/03	$42,478,800

I. Introduction

1. **The Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to the United Nations Iraq-Kuwait Observation Mission (UNIKOM).**

2. The documents used by the Advisory Committee in its consideration of the financing of UNIKOM are listed at the end of the present report.

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II. Information on performance for the current period

3. The Advisory Committee was informed that, as at 29 February 2004, a total of $329,474,000 had been assessed on Member States in respect of UNIKOM since its inception. Payments received as at the same date amounted to $322,388,000, leaving an outstanding balance of $7,086,000. As at 29 February 2004, the cash position of the Mission was $51,300,000 and unliquidated obligations for the period from 1 July to 2003 amounted to $1,825,000.

4. With regard to contingent-owned equipment, the Committee was informed that, as at 29 February 2004, an amount of $68,000 had been reimbursed and the estimated amount owed was $3,343,000, while obligations payable for the period up to 29 February 2004 totalled $529,000. In respect of death and disability compensation, $872,000 had been paid as at 29 February 2004 for 12 claims, 8 claims were pending and unliquidated obligations amounted to $1,390,000.

5. The Advisory Committee was informed that, since the mandate of the Mission had been terminated on October 2003 by Security Council resolution 1490 (2003), all authorized posts had been unencumbered.

6. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004, as at 29 February 2004 (see annex I below). Expenditure for the period amounted to $6,162,000 gross ($5,496,300 net) against an apportionment of $12,000,000 gross ($11,030,900 net).

7. The Advisory Committee notes from the performance report for the period 2002/03 (A/58/630, sect. III.C) that expenditure for contingent-owned equipment for the period ending 30 June 2003 totalled $1,175,700.

III. Financial performance report for the period from 1 July 2002 to 30 June 2003

8. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 56/297 of 27 June 2002, appropriated to the Special Account for UNIKOM an amount of $52,866,800 for the period from 1 July 2002 to 30 June 2003, inclusive of $50,573,200 gross ($48,345,300 net) for the maintenance of the Mission, $2,048,200 for the support account and $245,400 for the United Nations Logistics Base at Brindisi, Italy. As indicated in the report of the Secretary-General on the financial performance of UNIKOM (A/58/630, sect. III.A), expenditures for the period totalled $42,478,800 gross ($40,365,800 net). The resulting unencumbered balance of $8,094,400 gross ($7,979,500 net) represents 16.0 per cent of the appropriation.

9. The unutilized balance was primarily attributable to the unspent balance resulting from the early repatriation of military contingents upon suspension of the Mission's operation on 17 March 2003, from savings resulting from the transfer of vehicles from downsizing missions at no cost, as well as from the cancellation of planned purchases following the suspension of the Mission's operation and unspent balances under various items, including utilities, acquisition of facilities, alteration and renovation services, petrol, oil, and lubricants, spare parts and supplies. These elements were offset in part by additional requirements under military observers and international staff, official travel and other supplies, services and equipment.

10. The Advisory Committee notes from section III.B of the performance report that a total of $4,563,000 is indicated for other income and adjustments for the period, comprising $2,545,000 in interest income, $946,000 for other/miscellaneous income and $1,078,000 in savings on or cancellation of prior-period obligations, offset by a reduction of $6,000 for prior-period adjustments. Upon its request for an explanation of the figure of $1,078,000 for savings on cancellation of prior obligations, the Advisory Committee was provided with details (see annex II). **The Committee reiterates the request it made in its report of 8 April 2003 that future performance reports include an explanation of such adjustments (see A/57/772/Add.8, para. 6).**

Civilian personnel

11. The Advisory Committee notes from the additional information provided to it that the amount of $332,700 was paid as reimbursement of mission subsistence allowance and compensatory payment to staff as a consequence of a judgement of the Administrative Tribunal. Upon enquiry, the Committee was informed that, by its judgement No. 1079, the Administrative Tribunal decided that the recovery of mission subsistence allowance overpayments to former UNIKOM staff members should be limited to the last two years of the overpayments and that the staff members should be reimbursed any amounts recovered in excess thereof. In addition, the Tribunal ordered that each staff member be compensated $1,000 because of the delays encountered in the case.

12. For the period 2002/03, as indicated in the performance report (sect. III.A), expenditure for national staff amounted to $7,183,900, resulting in a decrease of $460,800, in comparison with the apportionment of $7,644,700. The underexpenditure was mainly attributable to the fact that 49 per cent of the national staff were appointed at the G-4 grade or below.

Air transportation

13. The Advisory Committee notes from the additional information provided to it that expenditure of $1,029,900 was incurred under air transportation for the charter of an aircraft for the evacuation of 1,134 UNIKOM personnel from Kuwait City to Dhaka and Brindisi in February 2003. Upon enquiry, the Committee was informed that the charter of the aircraft was for a total of six flights (three from Kuwait to Dhaka and three from Kuwait to Brindisi).

Support provided by the Mission to agencies

14. The Advisory Committee recalled that, in its report to the Security Council (S/2003/933, para. 9), the Secretary-General indicated that, as part of its support to humanitarian agencies and programmes, UNIKOM had provided vehicles at depreciated value and provided vehicle maintenance, fuel, washing and long-term parking facilities. Upon enquiry, the Committee was informed that costs had been recovered for a number of items, including 12 vehicles for the International Organization for Migration, 4 vehicles for the World Health Organization and 2 fuel trucks for the World Food Programme.

Disposition of assets

15. The Advisory Committee was provided with an interim report on UNIKOM assets reflected in the Field Assets Control System, as at 6 December 2003 (see annex III below). In this connection, the Committee was informed that a complete report on the disposition of the assets of the Mission would be presented to the General Assembly during the spring of 2005, in the context of the performance report on UNIKOM.

Voluntary contributions

16. The Advisory Committee notes from section III.A, footnote b, of the performance report that voluntary contributions in kind included $25,000 from the Government of Kuwait. Upon enquiry, the Committee was informed that this amount was for medical supplies to be provided by the Government of Kuwait. However, these supplies have never been received and the accounting entry will be reversed.

IV. Conclusion of the Advisory Committee

17. The action to be taken by the General Assembly in connection with the financing of UNIKOM for the period from 1 July 2002 to 30 June 2003 is indicated in paragraph 22 of the performance report (A/58/630). **The Committee recommends that the unencumbered balance of $8,094,400, as well as other income/adjustments in the amount of $4,563,000, be credited to Member States in a manner to be determined by the Assembly.**

Documentation

- Performance report on the budget of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 2002 to 30 June 2003 (A/58/630)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financing of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 2003 to 30 June 2004 (A/58/441)
- General Assembly resolutions 56/297 and 57/330 on the financing of the United Nations Iraq-Kuwait Observation Mission
- Report of the Secretary-General on the activities of the United Nations Iraq-Kuwait Observation Mission for the period from 16 June to 1 October 2003 (S/2003/933)
- Security Council resolution 1490 (2003)

Annex I

Actual expenditures of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 2003 to 30 June 2004

As at 29 February 2004

(Thousands of United States dollars)

Category	Apportionment	Expenditures
Military and police personnel		
Military observers	253.4	75.4
Military contingents		404.5
Civilian police	—	—
Formed police units	—	—
Subtotal	**253.4**	**479.9**
Civilian personnel		
International staff	5 098.2	2 237.5
National staff	4 345.1	1 887.4
United Nations Volunteers	—	—
Subtotal	**7 443.3**	**4 124.9**
Operational costs		
General temporary assistance	—	—
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	—	—
Official travel	100.0	56.5
Facilities and infrastructure	1 952.0	575.6
Ground transportation	730.0	78.7
Air transportation	—	94.2
Naval transportation	—	—
Communications	764.5	144.6
Information technology	400.0	109.7
Medical	20.0	6.9
Special equipment	—	30.5
Other supplies, services and equipment	316.8	460.1
Quick-impact projects	—	—
Subtotal	**4 303.3**	**1 557.2**
Gross requirements	**12 000.0**	**6 162.0**
Staff assessment income	969.1	665.7
Net requirements	**11 030.9**	**5 496.3**
Voluntary contributions in kind (budgeted)	—	—
Total requirements	**12 000.0**	**6 162.0**

Annex II

United Nations Iraq-Kuwait Observation Mission: savings on or cancellation of prior-period obligations

(Thousands of United States dollars)

Category	
Military and police personnel	
Military observers	121.7
Military contingents	423.7
Civilian police	—
Formed police units	—
Subtotal	**545.5**
Civilian personnel	
International staff	21.3
National staff	—
United Nations Volunteers	—
Subtotal	**21.3**
Operational costs	
General temporary assistance	—
Government-provided personnel	—
Civilian electoral observers	—
Consultants	—
Official travel	2.6
Facilities and infrastructure	93.6
Ground transportation	297.0
Air transportation	35.2
Naval transportation	19.7
Communications	16.6
Information technology	—
Medical	—
Special equipment	—
Other supplies, services and equipment	46.3
Quick-impact projects	—
Subtotal	**511.0**
Grand total	**1 077.8**

Annex III

United Nations Iraq-Kuwait Observation Mission: interim report on assets in the field assets control system as at 6 December 2003

(United States dollars)

Description	*Quantity*	*Quantity*	*Purchase value*	*Depreciation cost*
Section I				
Number of assets reflected in UNIKOM field assets control system*	9 225			
Assets trashed from the field assets control system		73	162 591.93	77 669.19
Assets awaiting Headquarters Property Survey Board pending completion		19	1 096 556.67	298 545.30
Assets not archived because of technical errors		7	7 252.56	2 230.92
Total assets shipped (see sect. II)		2 900	12 909 990.50	7 613 147.61
Total assets written off (disposed)		6 225	15 694 112.36	4 848 660.84
Total		**9 224**	**29 870 504.82**	**12 840 253.86**
Fork-lift stranded at Saudi Port being handled by Logistics Supply Division		1	75 000.00	
Section II				
Assets shipped before close of business 30 June 2003		81	341 578.82	151 455.61
Assets shipped from 1 July 2003		2 819	12 568 422.68	7 461 692.00
Total		**2 900**	**12 909 990.50**	**7 613 147.61**
Section III				
Assets written off before close of business 30 June 2003		1 543	5 524 810.72	1 374 725.28
Assets written off from 1 July 2003 (see sect. IV)		4 682	10 169 301.64	3 473 935.56
Total		**6 225**	**15 694 112.36**	**4 848 660.84**
Section IV				
Assets written off as missing		1 820	3 093 130.86	1 043 587.41
Assets written off as "sale as is"		929	3 293 743.81	962 507.01
Assets written off as scrap		1 249	1 802 045.74	656 987.90
Assets written off as abandoned in situ		571	1 047 838.76	156 424.86
Written-off assets sold to agencies		111	837 542.47	427 902.66
Assets written off and sold to the World Food Programme (Group II)		2	95 000.00	26 525.72
Total		**4 682**	**10 169 301.64**	**3 473 935.56**

* Note that the number (9,225 assets) reflects the total assets reflected in the field assets control system for UNIKOM. Because of the ongoing nature of the assets disposal process, the numbers presented above will not reconcile the fiscal year-end inventory report for UNIKOM as at 30 June 2003. The present report accounts for all assets listed in the field assets control system during liquidation.